

FINANCIAL SERVICES GUIDE

This Financial Services Guide contains information about our services and charges, your rights as a client and other things you need to know in relation to insurance matters including how any complaints you may have will be dealt with. We trust it will assist you in deciding whether to use our services.

If you ask us to act as your general insurance broker, we will do so on the terms set out in this Guide. Unless you tell us otherwise in writing, we assume that you agree with these terms. Any terms which are specific to our relationship with you, may be contained in a Letter of Engagement which, together with this Guide, will record the basis of our relationship. Risk Insure authorises the distribution of this FSG.

OUR SERVICES

Risk Insure holds an Australian Financial Services Licence (AFSL 230163) and is committed to providing sound advice based upon your needs and our comprehensive market knowledge. We can advise about and arrange all general insurance products including corporate, commercial and retail insurance.

We offer a range of services to assist you to protect your assets and your legal liabilities.

These include:

- Reviewing and advising on your insurance needs;
- Arranging and renewing insurance contracts on your behalf;
- Arranging premium funding, if required;
- Assisting with insurance claims.

HOW WE WILL LOOK AFTER YOUR INSURANCE NEEDS

You can specify how you would like to contact us by visiting our offices, by telephone, email or letter.

To enable us to provide advice which is appropriate to your circumstances, you need to provide us with complete information about the risk(s) to be insured, your situation and your needs and objectives. You should also tell us about any relevant changes as they occur. In all instances we will act on your behalf.

New Business

Contact us as soon as possible if you need cover for a risk or property that is not insured. If you need immediate cover, we can usually obtain an interim contract of insurance (which is generally valid for a month or less). To arrange this, we will need details of the property or risk and all other information, which you need to disclose to the insurer.

For retail insurance, we select one insurance product for each type of retail risk that we believe will best meet the needs of the majority of our clients. If you ask us to look after your retail insurance needs, we can only arrange this product for you. We will not specifically consider whether it meets your individual objectives, needs or financial situation. You should refer to the Product Disclosure Statement, which we will provide to you and/or the policy wording to ensure that is appropriate for your circumstances.

For commercial insurances, we will review the products available in the market to locate a product that is suitable for your requirements

We may need to send you a proposal for completion. You will need to complete and sign this and return it to us as soon as possible and before any interim cover expires.

We will send the original insurance contract documents as soon as they are issued correctly by your insurer. If we provide personal advice to you, we will give you a Statement of Advice confirming our advice. As these are legal documents, you should keep them in a safe place.

Renewals

Unless you tell us not to do so, we will automatically renew any retail insurance policies to ensure continuity of cover.

If you are a corporate client, we will contact you before your insurance program is due for renewal to discuss your requirements. If we cannot contact you for any reason, we will endeavour to arrange for your insurers to hold you covered on the same terms as your expiring policy for a short period. You could be liable for a short term premium if you later decide that you do not require the insurance.

If you arrange or renew any insurance directly with an insurer or appoint another broker, we will not be responsible for notifying you of expiry or arranging renewal unless you ask us to do so.

Variations

You should carefully monitor and review that your insurance contract is adequate to cover your assets or business activities.

If you want to vary any cover, e.g. by increasing the sum insured or adding other property, please provide us with details of the changes you require and any other information you need to disclose to the insurer.

We will arrange the variation with the insurer and provide you with written confirmation.

Claims

We will receive your claims notifications, assist and advise you regarding the scope of cover and pass the information to the insurer. If a loss adjuster is appointed we shall, with your permission, pass on your contact details and co-ordinate meetings. We will promptly forward to you all claims documentation, insurance company settlement cheques and other information.

If any claims are outstanding when you terminate our appointment as your insurance broker we will no longer manage any outstanding claims from the date of our termination.

Cancellation

We cannot cancel a contract of insurance without written instructions from a person who is authorised to represent each of the parties insured under the contract of insurance. We cannot cancel any contract of insurance which is subject to the Marine Insurance Act 1909.

If a contract of insurance is cancelled before expiry of the period of insurance, we will refund the net premium we receive from your insurer. We will not refund our fees or commission for arranging the insurance.

HOW WE ARE PAID

Risk Insure Insurance Brokers

We are usually paid a commission by your insurers when we arrange insurances on your behalf. As a general rule, the insurer pays a percentage of the base premium (that is the amount of the premium excluding taxes, charges and levies). The commission percentage may range from 0% to 20% of the base premium. We may also charge a fee, the amount of which is based on the work involved to advise on and arrange the insurance. Our fees include GST. We will advise you of any fees prior to commencement of work undertaken.

When you pay us your premium it will be banked into our trust account. We retain the commission from the premium you pay us and remit the balance to the insurer in accordance with our arrangements with the insurer. We will earn interest on the premium while it is in our trust account or we may invest the premium and earn a return. We will retain any interest or return on investment earned on the premium.

Risk Insure has an arrangement with CGU Insurance Limited. CGU Insurance has agreed to pay up to 3%, inclusive of GST, over-ride commission on gross premiums (which excludes GST, Stamp Duty and Levies) for business placed for the previous twelve months. This is payable annually in arrears.

This is in addition to any other commission agreed per placement of individual policies with CGU Insurance.

Risk Insure also has an arrangement with Zurich Insurance. Zurich Insurance has agreed to pay up to 2.0% inclusive of GST over-ride commission on gross premiums (which excludes stamp duty, levies & GST) for business placed for the previous financial year. This is payable annually in arrears. This is in addition to any other commission agreed per placement of individual insurance policies with Zurich Insurance.

You have a right to request for further information in relation to the remuneration, and soft dollar benefits received by the licensee and / or representative.

Our Advisers

Our employees are paid a salary and in some cases they maybe paid a small bonus linked to service and company performance. This does not increase the cost to you. All advisers operate from our office in Adelaide. Our employees who are authorised by Risk Insure can provide advice on general insurance products only.

Referrers

Occasionally we pay people who refer clients to us. When we do, we pay them a percentage of the commission or fees we receive for arranging the insurance. This does not increase the cost to you.

Please ask us if you want any more information regarding our commissions and fees paid to our Advisers or Referrers.

IMPORTANT RELATIONSHIPS

Risk Insure is a privately owned insurance advisory firm.

Risk Insure is a member of National Insurance Brokers Association (NIBA) and as such are bound by the Insurance Code of Practice. The Code is available on our website.

We are a Steadfast Group Limited (Steadfast) Network Broker. Steadfast has exclusive arrangements with some insurers and premium funders (Partners) under which Steadfast will receive between 0.5 - 1% commissions for each product arranged by us with those Partners. Steadfast is also a shareholder of some Partners.

We may receive a proportion of that commission from Steadfast at the end of each financial year (or other agreed period).

As a Steadfast Network Broker we have access to member services including model operating and compliance tools, procedures, manuals and training, legal, technical, banking and recruitment advice and assistance, group insurance arrangements, product comparison and placement support, claims support and group purchasing arrangements. These member services are either funded by Steadfast, subsidised by Steadfast or available exclusively to Steadfast Network Brokers for a fee.

You can obtain a copy of Steadfast's FSG at www.steadfast.com.au

If we arrange premium funding for you we may be paid a commission by the premium funder. We may also charge you a fee (or both). The commission that we are paid by the premium funder is usually calculated as a percentage of your insurance premium (including government fees or changes). If you instruct us to arrange or issue a product, this is when we become entitled to the commission.

Our commission rates for premium funding are in the range of 1 to 2% of funded premium. When we arrange premium funding for you, you can ask us what commission rates we are paid for that funding arrangement compared to the other arrangements that were available to you. The amount of our commission and any fee that we charge will be set out in the premium funding contract.

TERMS OF PAYMENT

Invoices

We will invoice you for the premium, statutory charges and our fees. You must pay us within 14 days of the date of the invoice.

If you do not pay the premium on time, we will notify the insurer who may cancel the contract of insurance and you will not be insured. The insurer may also charge a short term penalty premium for the time on risk.

Premium Funding

Premium funding products enable you to pay your premiums by instalments. Premium funders do charge interest.

We can arrange premium funding on your behalf if you require it. We may receive a commission based on a percentage of the premium from the premium funder for doing so. We will tell you the basis and amount of any such payment before or at the time the premium funding is arranged. In certain circumstances Risk Insure may also be entitled to receive a monetary incentive from the funder based on the total funding contracts arranged in any one financial year.

COMPLAINTS AND DISPUTES

If you are not satisfied with our services you may contact us on 08 8232 2311. A Risk Insure Complaints Officer will handle any complaints or disputes about the services.

If We are unable to resolve the matter for You, We will treat it as a complaint and take steps to resolve Your matter as soon as possible.

Internal dispute resolution

If We haven't resolved Your matter to Your satisfaction, at Your request (refer to contact details above), We will escalate Your complaint for review by Our Internal Disputes Resolution team. After full consideration of the matter a written response will be provided that will outline the decision reached and the reasons for the decision.

External dispute resolution

In the unlikely event that Your complaint is not resolved to Your satisfaction, or a final response has not been provided within 45 days, You may refer the matter to a free independent external dispute resolution service provided to customers to review and resolve complaints that fall within its terms of reference or rules as follows:

The Australian Financial Complaints Authority:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001.

We have our own professional indemnity insurance to further protect your interests. This insurance covers us (and our authorised representatives) for claims against our current and former representatives by clients as a result of the conduct of us, our employees or representatives in the provision of financial services.

OTHER IMPORTANT INFORMATION

Duty of Disclosure

In order to make an informed assessment of the risk and calculate the appropriate premium, your insurer needs information about the risk you are asking it to insure.

For this reason, before you enter into a contract of insurance, you have a duty under the Insurance Contracts Act 1984 to disclose to your insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk and, if so, on what terms. The duty also applies when you renew, extend, vary or reinstate a contract of insurance.

You do not have to disclose anything that reduces the risk to be undertaken by the insurer, is common knowledge your insurer knows, or in the ordinary course of its business, ought to know or that the insurer has waived your obligation to disclose.

If you do not comply with your duty of disclosure, your insurer may be entitled to reduce its liability in respect of a claim or may cancel your contract of insurance. If the non-disclosure was fraudulent, the insurer may be able to avoid (or cancel) the contract of insurance from its beginning. This would have the effect that you were never insured.

One important matter to be disclosed is the history of losses suffered by the person seeking insurance or any closely associated person or entity. As you are responsible for checking that you have made complete disclosure, we suggest that you keep an up to date record of all such losses and claims.

If you have any questions about whether information needs to be disclosed, please contact us.

Material Changes

You must also notify your insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you.

We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

Cooling Off Period – Retail Insurance only

If you decide that you do not need a contract of retail insurance which has been arranged on your behalf, you have a minimum of 14 days from the earlier of the date you receive confirmation of the contract and the date it was arranged to change your mind. You must tell the insurer in writing that you wish to return the insurance contract and have the premium repaid.

If you do so, the insurance contract will be terminated from the time you notified the insurer and the premium will be returned. The insurer may retain its reasonable administration and transaction costs and a short term premium.

If you have made a claim or it has expired, you cannot return the contract of insurance.

Privacy

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We only provide your information to the insurance companies with whom we deal on your behalf (and their representatives). We do not trade, rent or sell your information.

You can check the information we hold about you at any time. For more information about our Privacy Policy, ask us for a copy or refer to our Website: www.riskinsure.com.au

Sums Insured – Average and Co-Insurance

Some insurance contracts require you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the amount of the loss. These provisions are called 'average' or 'co-insurance' clauses.

If you do not want to bear a proportion of any loss, when you arrange or renew your contract of insurance, you must ensure that the amount for which you insure is adequate to cover the full amount of any potential loss. If you insure on a new for old basis, the sum insured must be sufficient to cover the new replacement cost of the property.

Interests of other Parties

Some insurance contracts do not cover the interest in the insured property or risk of any one other than the person named in the contract. Common examples are where property is jointly owned or subject to finance but the contract only names one owner or does not name the financier.

Please tell us about everyone who has an interest in the property insured so that we can ensure that they are noted on the contract of insurance.

Waiver of Rights

Some insurance contracts seek to limit or exclude claims where the insured person has limited their rights to recover a loss from the person who was responsible for it, e.g. by signing an agreement which disclaims or a limits the liability of the other party. Please tell us about any contracts of this type which you have or propose to enter into.

Standard Covers

The Regulations to the Insurance Contracts Act set out standard terms for the cover which is provided by motor vehicle, home buildings, home contents, sickness and accident, consumer credit and travel insurance (including a minimum amount of insurance).

If an insurer wants to alter these terms or offer less than the minimum amount of insurance they must clearly inform you in writing that they have done so. They can do this by providing you with a Product Disclosure Statement or a copy of the insurance contract.

Unusual Terms

If an insurer wants to rely on a term in a contract of insurance which is not usually included in contracts that provide similar cover, they must clearly inform you in writing of that term. Again, they may do so by providing you with a copy of the insurance contract.

This FSG was prepared on 22nd October 2018.